

RESOLUTION NO. _____**A RESOLUTION TO DECLARE THE OFFICIAL INTENT OF THE CITY OF LINCOLN, NEBRASKA (THE "CITY") UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, TO BORROW MONEY BY THE ISSUANCE OF TAX ALLOCATION BONDS BY THE CITY TO REIMBURSE THE COSTS OF CONSTRUCTING, ACQUIRING, EQUIPPING AND FURNISHING IMPROVEMENTS TO THE CITY'S LINCOLN MALL REDEVELOPMENT PROJECT.**

BE IT RESOLVED by the City Council (the "Council") of the City of Lincoln, Nebraska (the "City") as follows:

Section 1. Findings.

(a) The City has heretofore entered into the Lincoln Mall Project Redevelopment Agreement dated as of August 21, 2002 (the "Lincoln Mall Redevelopment Agreement") under which the City has agreed to make certain improvements within the Lincoln Mall Project Area (as defined in the Lincoln Mall Redevelopment Agreement) at its expense (the "City Project") in connection with the Lincoln Mall Project (as defined in the Lincoln Mall Redevelopment Agreement).

(b) To pay the costs of acquiring, constructing, equipping and furnishing the City Project, the City will issue its Lincoln Mall Redevelopment Project Tax Allocation Bonds (the "Bonds") in accordance with the provisions of the City's Home Rule Charter and the Constitution and laws of the State of Nebraska, including, but not limited to, the Community Development Law (Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended).

(c) It is necessary, desirable, advisable and in the best interests of the City to begin work on the City Project prior to the issuance of the Bonds and the City anticipates expending funds in the amount of \$900,000 for the City Project.

(d) The Department of the Treasury has promulgated final regulations (Treasury Regulations, Section 1.150-2, hereinafter referred to as the "Regulations") governing the use of proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the City for City Project expenditures made prior to the date of issuance of the Bonds which require that the City make a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditures. The Regulations generally require that the Bonds be issued and the reimbursement allocation made from the proceeds of the Bonds within 18 months after the later of the date the expenditure is made or the City Project is placed in service or abandoned, but in no event more than three (3) years after the date the expenditure is paid.

(e) The Council has determined that it is necessary, desirable, advisable and in the best interest of the City that the requirement of the Regulations be satisfied to preserve the ability of the City to reimburse expenditures made with respect to the City Project from funds of the City from and after the date of adoption of this Resolution from the proceeds of the Bonds.

Section 2. Declaration of Intent and Related Matters.

(a) In accordance with the provisions of the Resolution and Section 1.150-2 of the Treasury Regulations, the Council does hereby declare the official intent of the City to borrow funds to pay the acquisition, installation and other related costs of the City Project by the issuance of the Bonds by the City, the interest on which will be excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. Prior to the issuance of the Bonds, the City is authorized to advance moneys of the City in the amount of approximately \$900,000 for the purpose of paying a portion of the costs of constructing, acquiring, equipping and furnishing the City Project.

(b) Other than (i) expenditures to be paid or reimbursed from sources other than the Bonds, (ii) expenditures constituting "preliminary expenditures" within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iii) expenditures in a "de minimus" amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the City Project have been paid by the

City more than 60 days prior to the date of execution and delivery of this Resolution.

(c) The reasonably expected source of funds to be used to pay debt service on the Bonds will be the incremental tax revenues received by the City from the Lincoln Mall Redevelopment Project pursuant to the provisions of the Community Redevelopment Law.

(d) The Bonds shall be issued in such amount and upon such terms and conditions as may be agreed upon by the City and the purchaser or purchasers of the Bonds for the purpose of paying all or a portion of the costs and expenses incident to the acquisition and financing of the City Project, the Bonds to be authorized by the Council at a meeting to be held for such purpose by the Council.

(e) As of the date of this Resolution, there are no funds of the City reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the City Project, other than pursuant to the issuance of the Bonds. This Resolution, therefore, is determined to be consistent with the budgetary and financial circumstances of the City as they exist or are reasonably foreseeable on the date hereof.

Section 3. Authorizations.

(a) The Finance Director and the City Controller (each an "Authorized Officer") be, and each of them is, authorized to take such further action as such Authorized Officer shall deem necessary or desirable without further action by the Council to carry out the transactions contemplated by this Resolution.

(b) The Authorized Officers be, and each of them hereby is, authorized to execute on behalf of the City and to deliver any and all other instruments and documents including, but not limited to, such certificates or instruments as may be required under the terms of this Resolution necessary to be executed and delivered in connection with this Resolution and the approvals made hereby.

(c) The Finance Director of the City Controller shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the City to make payment of the prior costs of the City Project. Each allocation shall be evidenced by an entry on the official books of the City maintained for the City Project and shall specifically identify the original expenditure being reimbursed.

Section 4. Ratification.

All acts and deeds heretofore done by any officer, employee or agent of the City on behalf of the City to preserve the ability of the City to reimburse expenditures made from and after the date of adoption of this Resolution with respect to the City Project by the City through the issuance of the Bonds and other transactions contemplated by this Resolution are hereby ratified, confirmed and approved in all respects.

Section 5. Effective Dates.

This Resolution shall be in full force and effect from and after its passage and adoption by the Council.

Section 6. Conflicting Resolutions Repealed.

All resolutions of the Council, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

INTRODUCED BY:

PASSED _____, 2003.

ABSENT OR NOT VOTING:

AYES: _____

NAYS: _____

Approved as to Form:

CONFLICT OF INTEREST:

City Attorney

APPROVED: _____, 2003.

Bond Counsel

Mayor